

AR30



**Bank of
British Columbia**

Annual Report
1973



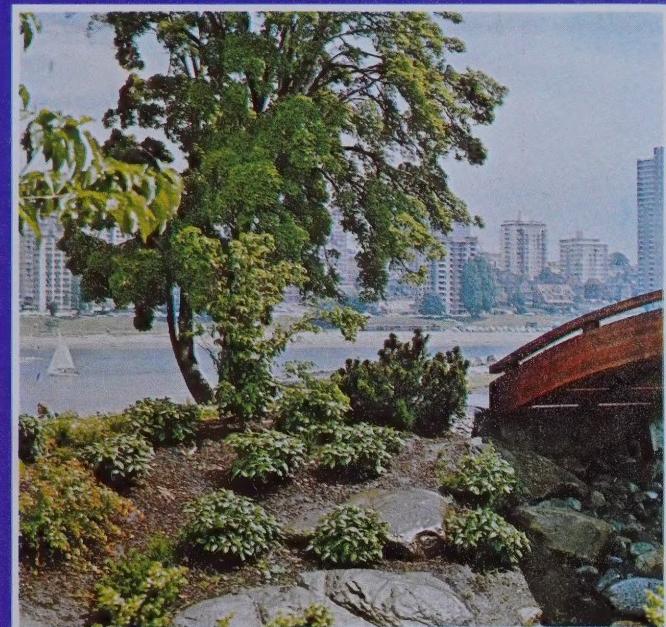
**Bank
of B.C.**

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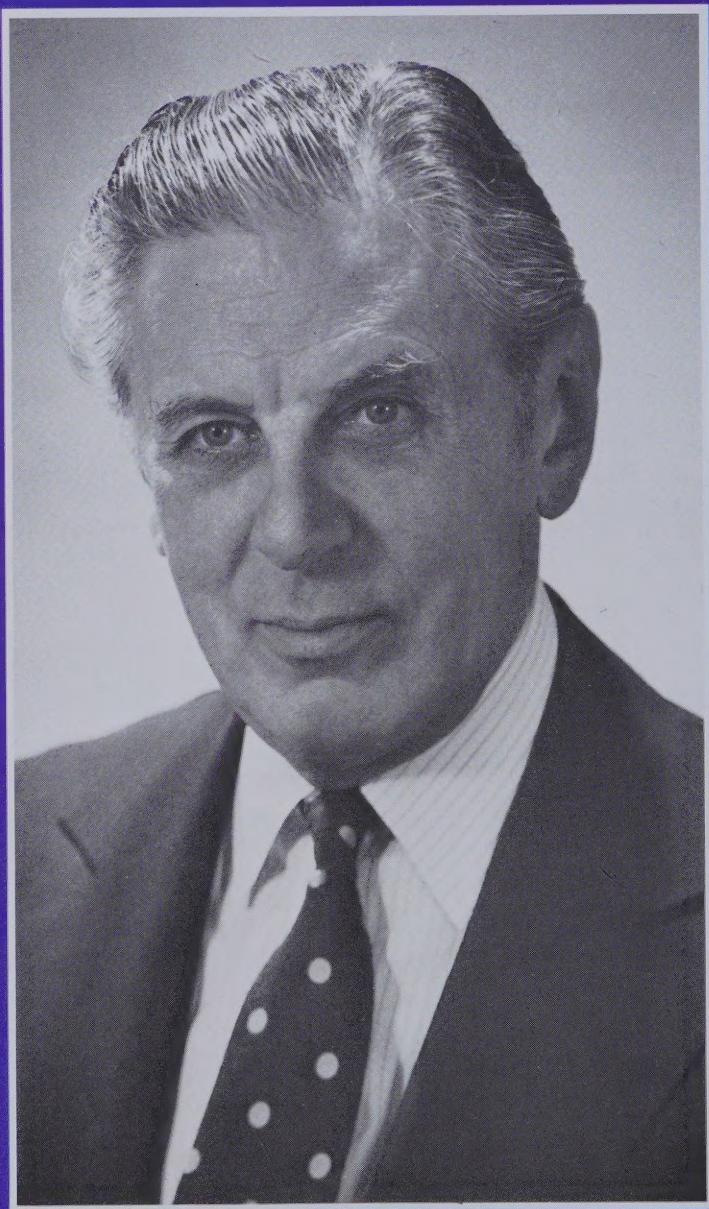


Sixth Annual Report 1973



| 1973 | 1972 | % INCREASE |
|---------------|---------------|------------|
| \$317,866,195 | \$244,175,618 | 30.2 |
| 295,304,818 | 221,616,341 | 33.3 |
| 235,066,995 | 179,451,571 | 31.0 |
| 16,242,237 | 21,684,657 | (25.1) |
| 1,313,808 | 804,545 | 63.3 |
| 413,808 | 304,545 | 35.9 |
| .81 | .60 | 35.9 |
| 255,278 | 102,111 | 150.0 |
| .50 | .20 | 150.0 |
| 19,787,440 | 19,378,877 | 2.1 |
| | | |
| 510,555 | 510,555 | — |

Canada's Western Bank



Albert E. Hall, Chairman of the Board and President

President's Message

The generally favourable economic achievements of the past year and the peace settlement in South-East Asia have been overshadowed by a number of serious world-wide problems. Among these have been the continuing inflationary spiral with its social and economic ramifications; the lack of vitally needed reform to the international monetary system and a serious undermining in world-wide opinion of the political scene in the United States. However, the most serious incident of all was the renewal of hostilities in the Middle East. This, in addition to creating world-wide energy problems which will ultimately cause shortages and price increases throughout a wide range of goods, has seriously threatened a number of international relationships. Just a year ago it seemed that the world community was realizing its interdependencies and moving closer together; however, it is obvious from recent events that this hope was premature, which does not provide us with a note of optimism for the future.

Industrial Relations

Of the many important events that have occurred in the Province in the past year, the one that may possibly have the greatest economic and political impact in 1974, and in years to come, is the fulfillment of a major Government pledge to re-design our labour laws. Quite predictably reaction has been mixed; indeed, with a major legislative change such as this, little else should be expected. When a system or set of rules that all participants have become accustomed to virtually disappears overnight, and new procedures have to be learned, reaction will naturally vary and quite probably verge on the critical, as has been the actual case. However, with the industrial relations problems that this Province has experienced in the past, it was obvious that the old system did not provide the medium for settling disputes, far less provide a climate conducive to continuing industrial stability. Some form of legislative reform was required to provide a workable framework within which industrial stability can be achieved and disputes speedily settled. Whether or not these objectives will be achieved by the new labour code will be determined in the coming year, as the Province is entering into a heavy period of collective bargaining.

It is not expected that the legislation will function without problems; indeed, this is readily accepted as the code is new and somewhat controversial. However, the good intentions of the Government to create a workable set of labour rules are obvious and now that they have made their attempt, success or failure rests with the actions of the participants, including Government who must ensure that its own contract settlements are kept in perspective. For example, a 13.8% Government settlement in the third quarter of 1973 was one of the largest

of the seventy-two contract awards reported for that quarter. This cannot assist in achieving industrial stability as it creates a climate of expectation in other sectors which could seriously endanger what the Government is attempting to do with the new labour code.

With these remarks as a warning, it is my sincere wish, and I am sure I am joined in this by all citizens of the Province, that this new code will provide at least a partial answer to past problems and that it will assist in pointing the Province towards a new era in industrial relations.

Oil and the Environment

Considering the oil and energy developments and non-developments of the past year, with their implications for the future, is not an easy task but concern is expressed over recent Federal Government action on energy prices, export taxes and other national energy matters. That Canada must ensure adequate energy supplies for herself is obvious but care must be exercised not to deter needed private investment in the energy sector.

Over the next decade, and further into the future, Canada will require substantial investment outlays in the field of energy exploration and development. In the past, our needs have been very adequately met by the private sector and now, at a time when new exploration and development is most required, Government must create a climate that will encourage investment by this sector. This does not appear to be the case at the present time and it is hoped that all the Federal Government's energy policies will receive careful ongoing consideration so that the required developments may come to fruition.

An added concern to those of us who reside in the South-Western corner of British Columbia is the development of the North Slope oil fields of Alaska. This project, as we are all aware, creates the possibility of oil spills from the immense tankers that will transport oil from Alaska, through the hazardous waters off the West Coast, to ports in Washington and other States further South. This frightening prospect gains reality as we have already witnessed a number of small spills in local waters that were insignificant in volume when compared to what would occur with a tanker mishap, and even then the authorities had considerable clean-up problems. In addition, one of these spills involved the collision of two ships in calm waters and in conditions of excellent visibility. What of the hazardous waters and sometimes poor visibility in the islands and straits off the West Coast?

As it now appears all alternatives to the tanker route are closed, the situation turns to the matter of reducing the possibilities for tanker mishaps; to having a soundly prepared contingency plan should one occur, 3



and to updating our technological competence in clean-up procedures, which do not seem to have progressed much since the Torrey Canyon disaster off the English coast. I urge the Federal Government to do all that is possible in conjunction with our neighbours to the South to attend to these matters. The waters, islands and mainland of our Pacific Coast are largely unspoiled natural beauty that provide recreational enjoyment for local citizens as well as supporting an important fishing and tourist industry. It would be a mistake of major proportions if we passively await the inevitable.

The Port of Vancouver

For over a year concern has been expressed in many circles about the loss of general cargo business from Lower Mainland ports to the Port of Seattle; yet, little appears to have been accomplished to alleviate the problem. Imports destined for Canada continue to move through Seattle and indications are that not only would Vancouver double its container volume if Canadian importers handled all of their business here, but also that business is moving to Seattle at an increasing rate.

A number of reasons have been advanced for this serious loss of income to those directly involved in the maritime industry and to the Vancouver area in general. Probably the most often cited is the vastly greater number of container facilities in Seattle, aided by a shipment cost structure which provides that the consignee pays no more for cargo unloaded at Seattle and delivered to Vancouver, than he would do for Vancouver unloaded cargo; yet, the one container facility in Vancouver does not operate to capacity!

The most plausible reason, by far, for our loss of business is that container cargoes shipped through the Port of Vancouver for local destinations must be opened on the docks prior to delivery to the consignee; a procedure which increases costs and reduces efficiency and one, moreover, that is quite contrary to the concept behind containerization. This situation does not exist for Canadian destined cargo unloaded at Seattle and it is not, therefore, with any surprise that many importers have transferred their business South of the border.

It is obvious that this procedure requires to be eliminated if the Port of Vancouver is to regain business it has already lost and to share in the expansion of business that the growth of Vancouver is undoubtedly bringing. The construction of new and improved container facilities in the harbour, which are due for completion in 1975, will provide the capacity to handle this business; however, if local problems cannot be solved, construction of these facilities could prove to be a costly and worthless exercise.

Inflation

Inflation, and strong urging from many sectors for direct price

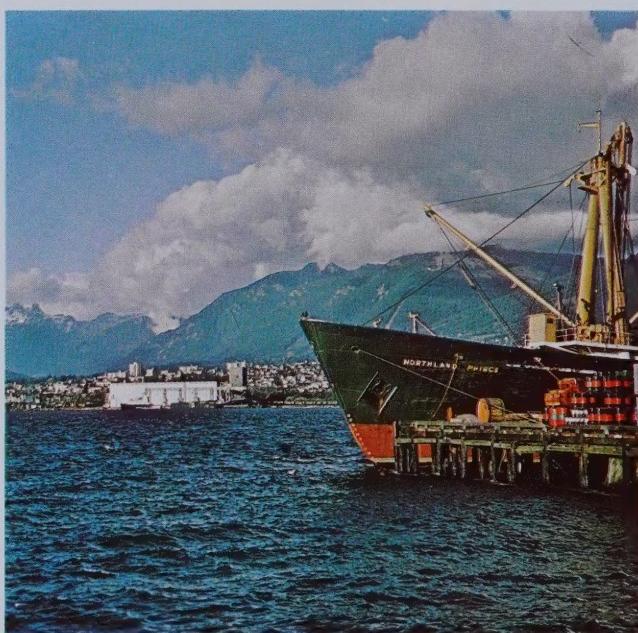
controls of one form or another have probably been two of the most heatedly discussed topics of the past year. That inflation at present levels is serious and that it is the cause of economic and social problems are undeniable facts; however, in my opinion, controls are not the all encompassing answer or even a partial answer to this world-wide problem.

First, the severe inflationary pressures of the past year are not unique to Canada. The problem is world-wide and very largely the result of spiralling food and other commodity prices, brought about by a simultaneous demand upsurge in the economies of the major industrial nations at a time when many commodities were already in short supply. Compounding this situation was commodity speculation associated with international monetary unrest and the depreciation of the Canadian and United States dollars vis-à-vis the currencies of other major trading partners. These events, and the resultant price increases, are largely beyond our control and direct intervention could not hope to restrain price increases for any meaningful period of time. In addition, artificial restraint to rising prices would only serve to aggravate the problem by creating further shortages, thereby intensifying upward pressure on prices: a situation we have seen occur in the United States over the past year.

Secondly, and most importantly, price controls only address themselves to the symptom of an underlying world-wide monetary malady which only monetary restraint can cure. Since the mid-1960's, currency depreciation in the industrialized world has approximately doubled, while for the less developed world it has more than tripled. This acceleration in inflation rates reflects the accomplishments of national economic objectives - rapid economic growth and high employment - through an excessive rate of monetary expansion which, in the industrialized world over the past decade, has gradually been accelerating relative to real output and more particularly so in the past few years. The solution to inflationary problems, or rather reducing the rate of inflation to more acceptable and manageable levels, therefore does not lie in direct economic controls but in reducing world monetary expansion to a growth rate more closely related to that of real output.

This task, in itself extremely difficult, is made all the more so as over-expansion of national money supplies has been aided by the balance of payments deficits of the United States, although it is pleasing to note that this situation has improved of late.

It is imperative that the world community work together to collectively defeat their mutually shared inflationary problems, through the adoption of more prudent domestic monetary policies and sound international monetary reform, and not through a series of patchwork attempts that have been characteristic of the international scene in the past few years. A forlorn hope, perhaps, but as



the noted English publication *The Economist* has stated: ". . . the world co-operated to produce the present problem. It will be appalling if countries now refuse to co-operate to solve it."

Lastly, moving from the international combination of events that have produced inflationary problems, one related aspect of domestic policy requires critical comment. Many Canadians, myself included, are becoming increasingly concerned at the rapidly rising levels and projected levels of Government expenditures, particularly in the area of transfer payments to individuals or, more simply, social security spending. The outcome of these expenditures over the next few years is quite predictably increased income taxes which has inflationary overtones, and with Canada moving up the world inflation scale the outlook is not favourable. A reduction in the rate of increase of Government spending is the obvious answer, but this is a highly unlikely event. As such, Government must take heed of the recent suggestion of the Economic Council of Canada that they re-appraise what they are doing and what the effects of their spending will be. If they do not, serious social and economic repercussions are the probable result.

1974

Many forecasts for the Canadian economy in 1974 indicate real growth in the range of 5 to 5½ percent which appears overly optimistic in view of the expected slowdown in world demand and the cutbacks in Middle East oil shipments. The effects of oil cutbacks are already being felt around the world and, even if a rapid solution is found, these effects may be felt for some time to come with consequent impact on the potential growth of our economy, both in terms of

productive output and on the expected buoyant level of capital spending. A moderate expansion in the range of 4 to 4½ percent real growth is a reasonable expectation if Middle East oil shipments rapidly resume normal levels; however, if they do not, a serious world economic slowdown could be precipitated to which Canada is not immune.

Turning to inflation, little improvement in the dismal performance of the past year is foreseen as, while world demand is expected to slow in 1974 it should still exhibit reasonable strength. This, together with capacity constraints and supply shortages in a number of sectors, should ensure a continuance of price pressures. World-wide energy problems, plus shortages of oil as a material input to many products, point to further supply problems and price pressures, in addition to the cost effects of higher oil prices. A further factor is the strong probability of cost pressures from the domestic labour sector and indications of this have already been seen. Thus, there appears to be very little cause for optimism for an improved inflationary performance in the coming year.

With particular reference to British Columbia, it is clear the exceptional performances that characterized 1973 will not be repeated and that economic activity will generally weaken. In the important resource-based sector, investment intentions again appear weak and output growth will be constrained by the economic downturn of our major trading partners. Added to this are the uncertainties associated with a heavy collective bargaining year and the impact of the new labour code. Overall, a moderate economic advance is expected but, as for Canada, if international oil supply problems are not rapidly resolved, the outlook is decidedly less favourable.





Victor Dobb, Executive Vice-President and General Manager

General Manager's Report

It is a great pleasure for me to report to you on the progress and performance of your Bank for the year which closed on October 31, 1973. Strong gains were recorded in all major areas of operations resulting in an increase in total assets of 30% to almost \$318 million and a balance of revenue increase of 63.3% to \$1,313,808.

Before commenting on the highlights of the financial and operating results, I should like to give you a brief summary outline of the environment in which they were achieved. In the early part of the year under review, the Bank of Canada continued to accommodate a very high rate of monetary expansion to meet persisting strong credit demands. It became apparent in the spring that the rapid rate of expansion could not be sustained and the Central Bank policy shifted to one of moderation. In an environment of strong economic growth and credit demand, as well as an official stance of moderation, coupled with the pressure of rising rates in the U.S.A., it was inevitable that domestic rates would respond by moving upwards. After no movement in the bank rate for eighteen months, five increases occurred from April on, taking the Central Bank rate from 4 3/4% to 7 1/4% where it has remained since September 13, 1973. The chartered banks' prime lending rate was pushed upwards in the last six months of the fiscal year from 6% to 9% in six steps. Despite these pressures, we have recognized the difficulties of the small businessman and as a measure of assistance have maintained a lower prime rate for loans under \$200,000, currently 8%, which is a full 1% below the regular prime.

Loans, Deposits and Securities

To enable us to loan money, we must attract deposits. In the environment I have outlined where strong loan demand persisted in a period when the Central Bank was attempting to moderate the growth of the money supply, fierce competition existed for deposits. I am pleased to state that notwithstanding very high costs, we were able to generate a 33% increase in deposit totals to accommodate loan growth of 31%. Within the deposit figure, it is gratifying to note that personal savings grew by \$13 million to \$53 million, a 33% increase. Lending activity was strong in all areas, with particular emphasis on consumer and mortgage lending. Loan totals grew from \$179 million in 1972 to \$235 million at October 31, 1973.

The Bank's security portfolio represents the investment of funds which are available for lending and provides a liquidity cushion over and above statutory reserves. Total securities declined again in the year under review from \$21 million to \$16 million reflecting the full employment of loanable funds in this higher earning activity.

Revenue and Expenses

Total revenues increased 55.4% from \$13.6 million to \$21.2 million, while expenses grew by \$7 million to \$19.9 million, a 54.9% increase, producing a very satisfactory balance of revenue of \$1.3 million, an increase of 63.3% over the previous year. This encouraged your Directors to declare a 50¢ dividend during the year, 2 1/2 times greater than last year's declaration.

The individual expense items bore much the same relationship to total revenue as occurred last year, except that other operating expenses amounted to 12.6% of revenue in 1973 compared to 11.4% last year. This increase was largely due to greater advertising expenses associated with the introduction of the new Western Account, about which I shall comment later.

Appropriations for Losses

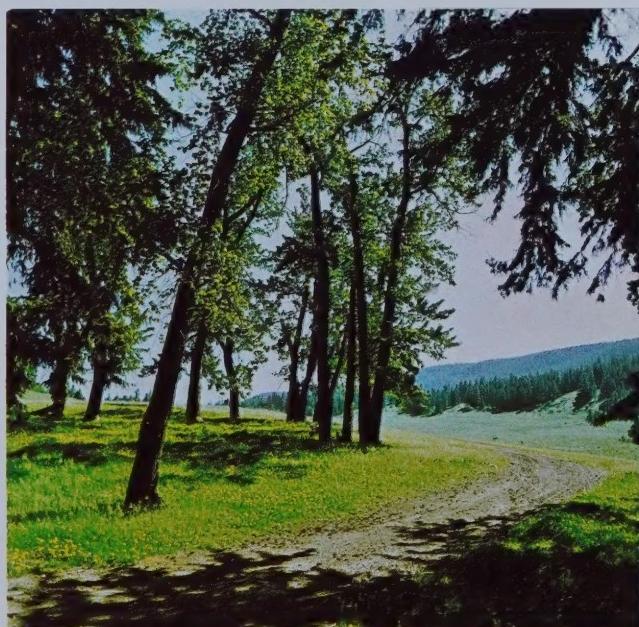
One matter of important note is the change this year in the Balance Sheet method of presenting income taxes. Previously we showed on our Statement of Revenue, Expenses and Undivided Profits, the taxes payable on balance of revenue after deducting the discretionary appropriation for losses. During 1973 the form of presentation of financial statements required by provisions of the Bank Act was amended by Privy Council so that we are now showing income taxes on the balance of revenue before deducting the appropriation for losses. This results in a higher figure than we are actually required to pay, as the amount we appropriate for losses currently has the effect of reducing our taxes. This tax reduction is shown as a credit in the statement of accumulated appropriation for losses. The result of this change is that operating results before discretionary appropriations are more clearly stated.

Overall, Accumulated Appropriations for Losses Account has been increased by \$250,000. This account does not appear in the financial statements as Capital Funds, since Accumulated Appropriations represent amounts set aside for contingency purposes, but they do belong to the shareholders along with Capital, Undivided Profits and Rest Account with

the latter having been increased by a transfer of \$150,000 from Undivided Profits. The total of these shareholders funds now stands at \$14,787,-440 representing a book value of shareholders equity of \$28.96 per share, up from \$28.16 a year ago.

Marketing

Some internal organizational changes during the year resulted in the emergence of a full fledged marketing department, now headed up by a Vice President of the Bank. The department's energies were immediately directed towards the development of an imaginative service package, which has received wide and enthusiastic response since its introduction last August. Your Bank's "Western Account" was the first con-



sumer service programme introduced in Canada and has been quickly followed by several of our major competitors.

In response to a specific enquiry at last year's Annual General Meeting, a comprehensive study of charge cards was undertaken. As a result of this, your Directors decided that at this stage of our development a charge card was premature, in view of the substantial costs in the initial years and the matter has been deferred for the time being. We are following developments closely and will review the situation from time to time.

Real Estate Investment Trust

I reported last year on the establishment of B.B.C. Realty Investors. The initial capital of \$10.5 million, of which your Bank subscribed \$500,000, came to market in January and the units quickly commanded a premium. The strong growth of the Trust's assets during the year necessitated a further public offering and additional capital was raised in August by way of a \$25 million 7% debenture issue, maturing in 1978, carrying warrants entitling holders to purchase units at \$12. The Trust is now qualified by the Ontario Securities Commission which required an additional investment by the Bank of \$500,000 in trust units, making our total investment \$1 million. As at October 31, 1973, B.B.C. Realty Investors had total invested assets of approximately \$39,000,000. Your Bank's role is to provide management and administrative services and in this advisory capacity receives a fee in addition to a satisfactory investment return.

Branch Network

During the year, three new branches were opened, bringing total domestic offices to 23. Abbotsford was opened in December 1972, followed by Penticton in March and Richmond in August. Our new branch in Surrey will be opened on Thursday of this week and White Rock is scheduled for January 1974. As you may have noted from press reports, your Bank is expanding its operations into the neighbouring province of Alberta with two branches in Calgary and one in Edmonton, all of which we expect to have in operation before March of 1974. As Canada's first western based Bank, we confidently expect a favourable reception to our first movement outside of British Columbia. In planning entry into Alberta, we are on target with the objectives outlined by our President in an interview following release of our 1970 financial results when he stated that expansion outside British Columbia would take place when 25 branches were in operation in this province.

Banking Hours

A question was raised at last year's Annual Meeting concerning branch opening hours to the public. We have made a comprehensive study of the matter and, where the need exists, will be gearing opening hours for the convenience of the public.

In fact, Richmond Branch will commence Saturday opening in January with others to follow.

International Banking

During the past year the International Banking Department enjoyed substantial growth in activity and earnings. In fact, International operations account for almost 20% of total revenues, but the contribution to earnings is significantly higher because of the relatively low investment in manpower and capital in the conduct of a wholesale business and an active foreign exchange trading operation.

The major international development of the year was the establishment of an Agency of the Bank in San Francisco. This has enabled us to gain representation in a fast growing money and exchange market in our own time zone, and to improve our ability to obtain profitable international banking business. The office opened for business in July and is already playing a significant role in the Department's expanded activities.

The Department continued to expand its call programme abroad with major emphasis on the Far East this year. Valuable contacts were made and new business developed. The itinerary included visits to Japan, Hong Kong, Indonesia and Singapore, with the highlight being the visit to Peking by our President, accompanied by the Senior International Executive Officer, at the invitation of the Bank of China.

Computerization

Your Bank has now reached a point where it is essential to our future growth and success that the most economical and efficient means are used to process a steadily increasing volume of business. A feasibility study was undertaken earlier in the year and a decision reached to convert from a manual operation to electronic data processing in mid 1974. Conversion to demand deposit accounting will take place initially, gradually followed by other services. This is a significant and initially costly step, but one which will allow us to improve service to our customers and our competitive position in the industry.

Personnel

During the year personnel complement increased from 370 to 528. We consider it a tribute to our young organization that we continue to attract loyal and dedicated people who, through their enthusiasm and energy, are building a future for themselves and for the Bank. On your behalf I thank them for a job well done.

During the 1972/73 academic year, the Institute of Canadian Bankers numbered 53 of our employees among its students. Three of our personnel reached the stage in their studies which earned them diplomas, bringing the total number of employees holding diploma status to 14. Supplementing these outside courses of study, the Bank conducts internal training pro-



grammes designed to improve personnel skills in a variety of banking activities. Equal opportunity is afforded to all our employees in making available these training sessions in order to realize the full potential of our human resources.

The Coming Year

There are many uncertainties in the economic outlook for the coming year, not the least of which is the energy crisis with its world-wide implications and the impact of a heavy collective bargaining calendar in British Columbia. As a re-

sult, economic expansion is expected to be much subdued from that of 1973.

As intimated to you today, your Bank has reached a stage of growth at which, to reach the next plateau, costly programmes must be undertaken. Computerization and entry into Alberta require heavy investments in capital and manpower, the fruits of which will be generated over the longer term. In all these circumstances, we do not anticipate that 1974 earnings will surpass those of 1973 to any great extent.



The Westerner



Every banking service you're ever likely to need for \$3 a month

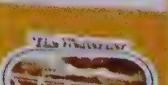


*Make your mark
on the West*

*Six scenes of the Canadian West
and a wallet to keep them in... yours
with a Western Account.*

**The Westerner. A whole new way to bank.
Ask us about it.**

The Westerner



The Westerner

**Announcing
The Bank of
British Columbia
Western Account.**

The Westerner

Bank of British Columbia's
Western Display Booth at the
1973 Pacific National Exhibition.
Vancouver, B.C., Canada.





Statement of Revenue, Expenses and Undivided Profits

For the financial year ended
October 31, 1973
(With comparative figures for preceding year)

Revenue:

| | 1973 | 1972 |
|-------------------------|---------------------|--------------|
| Income from loans | \$18,517,862 | \$11,479,786 |
| Income from securities | 1,263,304 | 1,360,148 |
| Other operating revenue | 1,434,071 | 814,649 |
| Total revenue | 21,215,237 | 13,654,583 |

Expenses:

| | | |
|---|-------------------|------------|
| Interest on deposits and bank debentures | 11,957,497 | 7,765,606 |
| Salaries, pension contributions and other staff benefits | 4,256,045 | 2,712,696 |
| Property expenses, including depreciation | 1,011,610 | 816,530 |
| Other operating expenses, including provision for losses on loans based on five-year average loss experience | 2,676,277 | 1,555,206 |
| Total expenses | 19,901,429 | 12,850,038 |
| Balance of revenue | 1,313,808 | 804,545 |
| Provision for income taxes relating thereto (Note) | 650,000 | 370,000 |
| Balance of revenue after provision for income taxes | 663,808 | 434,545 |
| Appropriation for losses (Note) | 250,000 | 130,000 |
| Balance of profits for the year | 413,808 | 304,545 |
| Dividend | 255,278 | 102,111 |
| Amount carried forward | 158,530 | 202,434 |
| Undivided profits at beginning of year | 40,814 | 38,380 |
| Transferred to rest account | 199,344 | 240,814 |
| Undivided profits at end of year | \$ 49,344 | \$ 40,814 |

See accompanying note to financial statements.

Statement of Accumulated Appropriations for Losses

For the financial year ended
October 31, 1973
(With comparative figures for preceding year)

| | 1973 | 1972 |
|---|--------------------|-------------|
| Accumulated Appropriations at Beginning of Year: | | |
| General | \$1,327,677 | \$ 935,797 |
| Tax-paid | 4,836 | — |
| Total | 1,332,513 | 935,797 |
| Additions (Deductions) During Year: | | |
| Appropriation from current year's operations (Note) | 250,000 | 130,000 |
| Loss experience on loans for the year less provision included in other operating expenses | (248,912) | 146,600 |
| Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market | (6,055) | 25,616 |
| Provision for income taxes including credit of \$255,000 (1972 - \$110,000) relating to appropriation from current year's operations (Note) | 255,000 | 94,500 |
| | 250,033 | 396,716 |
| Accumulated Appropriations at End of Year: | | |
| General | 1,577,210 | 1,327,677 |
| Tax-paid | 5,336 | 4,836 |
| Total | \$1,582,546 | \$1,332,513 |

Statement of Rest Account

For the financial year ended
October 31, 1973
(With comparative figures for preceding year)

| | 1973 | 1972 |
|------------------------------------|--------------------|-------------|
| Balance at beginning of year | \$7,900,000 | \$7,700,000 |
| Transferred from undivided profits | 150,000 | 200,000 |
| Balance at end of year | \$8,050,000 | \$7,900,000 |

See accompanying note to financial statements.



Statement of Assets and Liabilities as at October 31, 1973

(With comparative figures for preceding year)

Assets

Cash Resources:

| | 1973 | 1972 |
|---|-------------------|-------------------|
| Cash and due from banks | \$ 59,885,106 | \$ 32,365,901 |
| Cheques and other items in transit, net | 1,929,112 | 6,010,261 |
| | <u>61,814,218</u> | <u>38,376,162</u> |

Securities:

| | | |
|--|-------------------|-------------------|
| Securities issued or guaranteed by Canada, at amortized value | 7,958,742 | 7,457,576 |
| Securities issued or guaranteed by provinces, at amortized value | 235,551 | 1,201,858 |
| Other securities, not exceeding market value | 8,047,944 | 13,025,223 |
| | <u>16,242,237</u> | <u>21,684,657</u> |

Loans:

| | | |
|---|----------------------|----------------------|
| Day, call and short loans to investment dealers and brokers, secured | 28,744,972 | 25,347,150 |
| Other loans, including mortgages, less provision for losses | 206,322,023 | 154,104,421 |
| | <u>235,066,995</u> | <u>179,451,571</u> |
| Bank premises, at cost less amounts written off | 1,884,370 | 1,512,532 |
| Securities of and loan to a corporation controlled by the Bank | 644,208 | 658,543 |
| Customers' liability under acceptances, guarantees and letters of credit, as per contra | 1,952,221 | 2,246,596 |
| Other assets | 261,946 | 245,557 |
| | <u>\$317,866,195</u> | <u>\$244,175,618</u> |

Note to Financial Statements

The income tax provision for the year is included in the financial statements as follows:

| | 1973 | 1972 |
|--|------------------|------------------|
| Statement of revenue, expenses and undivided profits | \$650,000 | 370,000 |
| Statement of accumulated appropriations for losses | (255,000) | (94,500) |
| Total provision for income taxes | <u>\$395,000</u> | <u>\$275,000</u> |

Under an amendment by the Privy Council in October, 1973, the statement of revenue, expenses and undivided profits has been

changed so that the provision for income taxes comes directly after the balance of revenue and is the provision for income taxes thereon. The appropriation for losses which formerly preceded the provision for income taxes now follows the balance of revenue after provision for income taxes and any credit for reduction in income taxes arising from the appropriation is shown in the statement of accumulated appropriations for losses. The 1972 figures have been restated to the new basis of presentation by increasing the provision for income taxes by \$110,000 and reducing the appropriation for losses by the same amount. The balance of accumulated appropriations for losses at October 31, 1972 was unchanged as the reduction in the appropriation for losses was offset by the tax credit of \$110,000.

Liabilities

Deposits:

| | 1973 | 1972 |
|--|--------------------|--------------|
| Deposits by Canada | \$ 3,996,751 | \$ 1,203,918 |
| Deposits by a province | 5,741,571 | 19,305,299 |
| Deposits by banks | <u>45,139,462</u> | 44,830,726 |
| Personal savings deposits payable after notice, in Canada, in Canadian currency | 53,259,343 | 40,180,273 |
| Other deposits | <u>187,167,691</u> | 116,096,125 |
| | <u>295,304,818</u> | 221,616,341 |
| Advances from Bank of Canada, secured | — | 550,000 |
| Acceptances, guarantees and letters of credit | 1,952,221 | 2,246,596 |
| Other liabilities | 821,716 | 383,804 |
| Accumulated appropriations for losses | <u>1,582,546</u> | 1,332,513 |

Capital Funds:

| | | |
|--|----------------------|---------------|
| 7½% debentures issued and outstanding (redeemable at holder's option in 1977, maturing 1991) | 5,000,000 | 5,000,000 |
| Capital stock: Authorized 1,000,000 shares, par value \$10 each. Issued and fully paid, 510,555 shares | 5,105,550 | 5,105,550 |
| Rest account | 8,050,000 | 7,900,000 |
| Undivided profits | <u>49,344</u> | 40,814 |
| | <u>18,204,894</u> | 18,046,364 |
| | <u>\$317,866,195</u> | \$244,175,618 |

Albert E. Hall, President

Auditors' Report to the Shareholders

We have examined the statement of assets and liabilities of Bank of British Columbia as at October 31, 1973 and the statements of revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Vancouver, British Columbia November 14, 1973

Victor Dobb, General Manager

In our opinion the foregoing statements present fairly the financial position of the Bank as at October 31, 1973 and the revenue, expenses and undivided profits, accumulated appropriations for losses and transactions in the rest account of the Bank for the year ended on that date.

D. C. Selman, C.A.
of Peat, Marwick, Mitchell & Co.
W. M. Anderson, C.A.
of Winspear Higgins Stevenson & Co.

AUDITORS



Statement of a controlled corporation
BBC Realty Ltd.

Statement of Assets and Liabilities as at October 31, 1973

(With comparative figures for preceding year)

Assets

| | 1973 | 1972 |
|---|------------------|------------------|
| Agreements receivable | \$298,848 | \$303,936 |
| Land and buildings, at cost less accumulated depreciation | 344,625 | 353,839 |
| Other assets | 735 | 768 |
| | \$644,208 | \$658,543 |

Liabilities

| | | |
|---|------------------|------------------|
| Loan from Bank of British Columbia | \$634,208 | \$648,543 |
| Capital stock: | | |
| Authorized 10,000 shares, par value \$100 each. | | |
| Issued and fully paid, 100 shares | 10,000 | 10,000 |
| | \$644,208 | \$658,543 |

NOTE:

The Bank owns the entire capital stock of BBC Realty Ltd. which is carried on the books of the Bank at \$10,000.

Auditors' Report to the Shareholders of Bank of British Columbia

We have examined the statement of assets and liabilities of BBC Realty Ltd., a controlled corporation, as at October 31, 1973. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Vancouver, British Columbia November 14, 1973

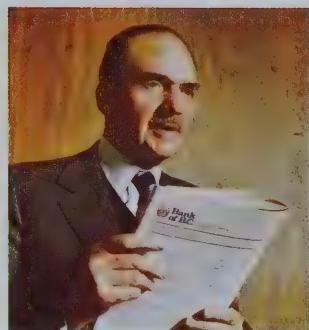
In our opinion the accompanying statement of assets and liabilities presents fairly the financial position of the corporation as at October 31, 1973.

D. C. Selman, C.A.
of Peat, Marwick, Mitchell & Co.
W. M. Anderson, C.A.
of Winspear Higgins Stevenson & Co.

AUDITORS

Minutes of the Sixth Annual General Meeting of the Shareholders

The Sixth Annual General Meeting of Shareholders of Bank of British Columbia was held on Tuesday, December 11, 1973 at 11:00 o'clock in the forenoon in the Vancouver Island Room, Hotel Vancouver, 900 West Georgia Street, Vancouver British Columbia.



Donald M. Clark, Q.C.
Secretary

1. Appointment of Chairman, Secretary and Scrutineers

Mr. A. E. Hall requested the approval of the Meeting to the appointment of himself as Chairman and Mr. D. M. Clark as Secretary of the Meeting, and the appointment of Mr. David Watkinson and Mr. Murray McDonald as Scrutineers to compute the votes of any ballots taken at the Meeting and to report thereon to the Chairman; which appointments were approved by the Meeting.

2. Notice of Meeting and Quorum

The notice of meeting was read by the Secretary. Mr. Hall advised the meeting that he had received satisfactory proof from the Secretary of the Bank that the notice calling the meeting had been duly publicized in accordance with the Bank Act and had been sent to each shareholder of the Bank, and, as a quorum was present, he declared the meeting duly constituted.

Mr. Hall then addressed the meeting as follows: "I am pleased to see such an excellent attendance of shareholders and guests at this, the Sixth Annual Meeting of the Bank. Your continued interest in attending the Bank's Annual Meeting, or sending in your proxy, is very much appreciated. Your support in directing business to the Bank during the year has contributed importantly to the Bank's growth in both total assets and earnings. Therefore, on behalf of the members of the Board of the Bank and management, I wish to thank you most sincerely for assisting in making the fiscal year 1973 a successful one."

"It is a pleasure to advise you that, on May 22nd, Mr. Arthur Fouks, Q.C., joined the Board of the Bank. Mr. Fouks is a prominent member of the legal profession in Vancouver and is widely known for his contributions in education, charitable and business enterprises.

"Mr. John Albert Brusset will not be standing for re-election, due to regulations imposed under Section 18 of the Bank Act. Mr. Brusset was first elected to the Board on May 8th, 1967, and during his tenure on the Board made substantial contributions. He will be greatly missed by his associates on the Board.

"Mr. B. O. Brynlesen resigned from the Board on April 24th, 1973, as his business in Peru made it impossible for him to attend meetings on a regular basis.

"Both of these prominent businessmen have served as Directors for six years and I am sure you would wish me to extend to them our sincere appreciation for their contributions to the Bank over this period."

3. Minutes

Mr. Hall stated that minutes of the Fifth Annual General Meeting had been published and circulated to all of the shareholders and C. E. Hall moved, "That Minutes of the Fifth Annual General Meeting of the shareholders of the Bank held on December 12, 1972, copies of which have been mailed to the shareholders, be taken as if read, and approved and adopted."

The motion was seconded by Mr. J. B. Smith.

Mr. Hall then requested the shareholders to mark Ballot "A" for the approval of the Minutes to be collected by the usherettes after all ballots had been marked.

4. Financial Statements and Report of Directors

Mr. Hall then stated: "Copies of the Statement of Assets and Liabilities of the Bank and of the Statements of the Rest Account, Revenue, Expenses and Undivided Profits, and Accumulated Appropriations for Losses have been forwarded to every shareholder in advance of this meeting, and as you have copies of these Statements before you we will forego, with your approval, the actual reading of these Statements, except for the Auditors' Report appended to the Bank's financial statement and the Directors' Report. We will be hearing shortly from the General Manager on the operations of the Bank for the fiscal year just ended. Following

his comments, and my own, there will be a full opportunity for shareholders to ask questions."

The Chairman then called upon the Secretary to read the Directors' and Auditors' Reports:

Directors' Report

The Directors of Bank of British Columbia take pleasure in submitting to the shareholders their report on the results of the Bank's operations for the financial year ended October 31st, 1973, and the Sixth Annual Statement which contains Statements of the Rest Account, Revenue, Expenses and Undivided Profits, Accumulated Appropriations for Losses, and a Statement of Assets and Liabilities as of that date, together with a Statement of Assets and Liabilities of the Bank's controlled corporation, BBC Realty Ltd., annexed thereto.

Since October 31st, 1972, three new branches of the Bank were opened, making a total of twenty-three branches of the Bank at the fiscal year-end. Also, an Agency of the Bank was opened in San Francisco, California, on July 12th, 1973.

All branches of the Bank opened prior to April 30th, 1973, have been inspected by the Bank's inspecting officers and the remainder will be inspected at an early date.

The Auditors appointed by the shareholders, D. C. Selman, C.A. and W. M. Anderson, C.A., have made their examination of the Bank's affairs and their report accompanies the annual statements.

A. E. Hall, Chairman.

5. Adoption of Reports

It was then moved by Mr. Hall, seconded by Mr. Mearns, that the annual statements for the fiscal year ended October 31, 1973, and the Directors' and Auditors' Reports thereon be adopted.

Mr. Hall requested the shareholders to mark Ballot "B" for the adoption of the statements and reports.

6. Appointment of Auditors

Mr. Hall then stated: "Under the provisions of the Bank Act, the Bank is required to change one of its auditors every two years. Mr. William M. Anderson, C.A., of Winspear, Higgins, Stevenson & Co., has been one of the shareholders' auditors for the past two years and it is now necessary to replace him with a new auditor. I should like to express to him, on your behalf, our sincere thanks for the work he has done for the Bank. He has, in every way, rendered service of the highest quality to the Bank during the past two years and it is with great reluctance that we are now required to make a change, but I hope we will see him back with us in the future. I will ask Mr. Gunderson for a resolution covering the appointment of auditors."

It was then moved by Mr. Gunderson, seconded by Mr. McIntosh, "that Mr. Donald C. Selman, C.A., of Peat, Marwick, Mitchell & Co., and Mr. Denham Kelsey, F.C.A., of Thorne, Gunn & Co., be appointed auditors of the Bank to hold office until the next Annual General Meeting and that their remuneration for the ensuing year be fixed at a sum not to exceed \$20,000, said amount to be divided between them."

Mr. Hall then requested the shareholders to mark Ballot "C" for the appointment of Auditors.

7. Election of Directors

Mr. Hall stated: "The meeting is now open for the nomination of Directors for the ensuing year, 15 to be elected, and I would ask the Secretary to read the list of proposed Directors who are eligible for election."

The Secretary then read the following names:

| | |
|----------------------------|---------------------|
| Russell J. Bennett | Coleman E. Hall |
| Donald M. Clark, Q.C. | Kenneth A. W. Long |
| Ralph T. Cunningham | G. Buchan McIntosh |
| Hon. Thomas A. Dohm, Q.C. | William C. Mearns |
| Harold B. Elworthy | A. Hoadley Mitchell |
| Arthur Fouks, Q.C. | Patrick M. Reynolds |
| Einar M. Gunderson, F.C.A. | J. Bruce Smith |
| Albert E. Hall | |

Mr. Robert Lee then nominated each of the persons whose name had been read by the Secretary, stating that he had been most impressed with the performance of the Bank and its Directors, which had resulted, among other matters, in an increase of the Balance of Revenue of 63% and the establishment of BBC Realty Investors, which was a leader in Canada in performance among the various realty investment trusts.

Mr. Hall asked if there were any other nominations, and, there being none, he declared nominations closed. Mr. Hall then requested shareholders to mark Ballot "D" for the election of Directors.

8. Amendment of Shareholders' By-Law No. 6

The Chairman stated: "Shareholders' By-law No. 6 was approved five years ago, at which time the remuneration to be paid to Direc-

tors in the aggregate was not to exceed \$50,000 in each year and, individually, shall be such amounts as the Board of Directors shall from time to time by resolution determine. Since this By-law was approved five years ago, our Bank has grown to a sizeable institution, which has necessitated the holding of not only Directors' meetings but Executive Committee meetings, Pension Fund meetings and the recently established Audit Committee, composed of three Directors who independently evaluate audit procedures and internal controls of the Bank and report directly to the full Board. During the past five years the annual amount paid to Directors has been less than the amount authorized, but the amount paid to Directors has increased annually with the increased activities of the Bank. With the additional committees and expansion of the Bank, we could exceed the amount presently approved for payment to Directors during the coming year and the Bank is now asking that the aggregate amount be increased to \$75,000.

"All of your Directors take an active interest in the Bank. Their valued counsel as Directors and their contributions to the development of the Bank has been and will continue to be most important to the future of the Bank."

Mr. W. Thomas Brown then moved the following amendment to Shareholders' By-law No. 6, stating that he favoured the amendment as a method by which the shareholders could express their appreciation to the Directors for the additional duties they were performing and the significant progress made by the Bank.

"BE IT ENACTED and it is hereby enacted that Shareholders' By-law No. 6 be deleted in its entirety and the following substituted therefor:

'6. The remuneration to be paid to the Chairman of the Board, the Vice-Chairman of the Board, the President, the Vice-Presidents and the General Manager, if any, shall in aggregate and individually be such amount as the Board of Directors shall from time to time by resolution determine. The remuneration to be paid to the Directors as such in the aggregate shall not exceed \$75,000 in each year and individually shall be such amounts as the Board of Directors shall from time to time by resolution determine.'

Mr. Leonard Wright seconded the motion.

The Chairman then asked for discussion, and, there being none, he requested the shareholders to mark Ballot "E" for the amendment.

9. Appointment of Attorney

It was moved by Mr. Dohm, seconded by Mr. Fouks, "that Albert E. Hall, or, failing him, Harold B. Elworthy, or, failing him, Donald M. Clark, be and is hereby appointed the true and lawful attorney of the Bank with power of substitution to attend and vote for and in the name of the Bank at any and all meetings of the shareholders of BBC Realty Ltd."

The Chairman then requested the shareholders to mark Ballot "F" for the appointment of attorney and requested that Ballots "A" to "F", inclusive, be collected and delivered to the Scrutineers.

10. General Manager's Address

Mr. Hall called upon Mr. Victor Dobb, Executive Vice-President and General Manager, to give his report. (Mr. Dobb's report is attached to the minutes.)

11. President's Address

Mr. Hall then addressed the meeting. (Mr. Hall's address is attached to the minutes.)

Upon receipt of the report of the Scrutineers, the Chairman announced that Ballots "A" to "F", inclusive, had been carried.

There being no questions and no further business, the Chairman then thanked the shareholders for their attendance at the meeting and declared the meeting terminated.

A. E. Hall, Chairman.

At the Meeting of the Board of Directors held subsequent to the Annual General Meeting of Shareholders the following Officers were elected: Albert E. Hall, *Chairman of the Board, President and Chief Executive Officer*; Einar M. Gunderson, F.C.A., *Honorary President*; Ralph T. Cunningham, *Vice President*; Harold B. Elworthy, *Vice President*; Donald M. Clark, Q.C., *Secretary*.

Five Year Statistical Review

(in thousands of dollars)

Assets and Liabilities:

Assets:

| | |
|----------------|-----------|
| Cash Resources | \$ 61,814 |
| Securities | 16,242 |
| Loans | 235,067 |
| Bank Premises | 1,884 |
| Other Assets | 2,859 |
| Total | \$317,866 |

Liabilities:

| | |
|--------------------------------------|-----------|
| Deposits | \$295,305 |
| Other Liabilities | 2,774 |
| Accumulated Appropriation for Losses | 1,582 |
| Capital Funds | 18,205 |
| Total | \$317,866 |

Revenue and Expenses:

Revenue:

| | |
|-------------------------|-----------|
| Income from loans | \$ 18,518 |
| Income from securities | 1,263 |
| Other operating revenue | 1,434 |
| Total revenue | \$ 21,215 |

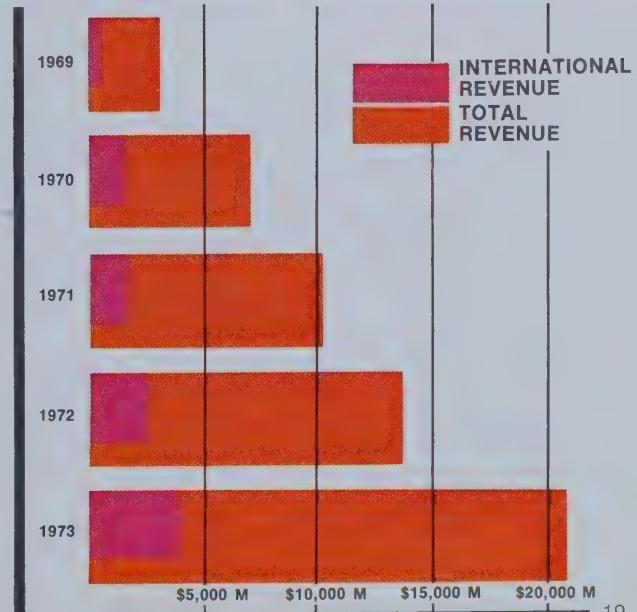
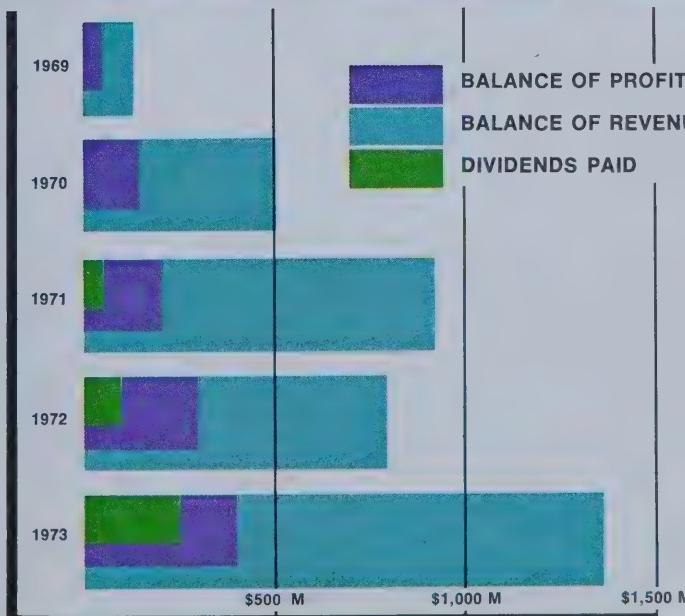
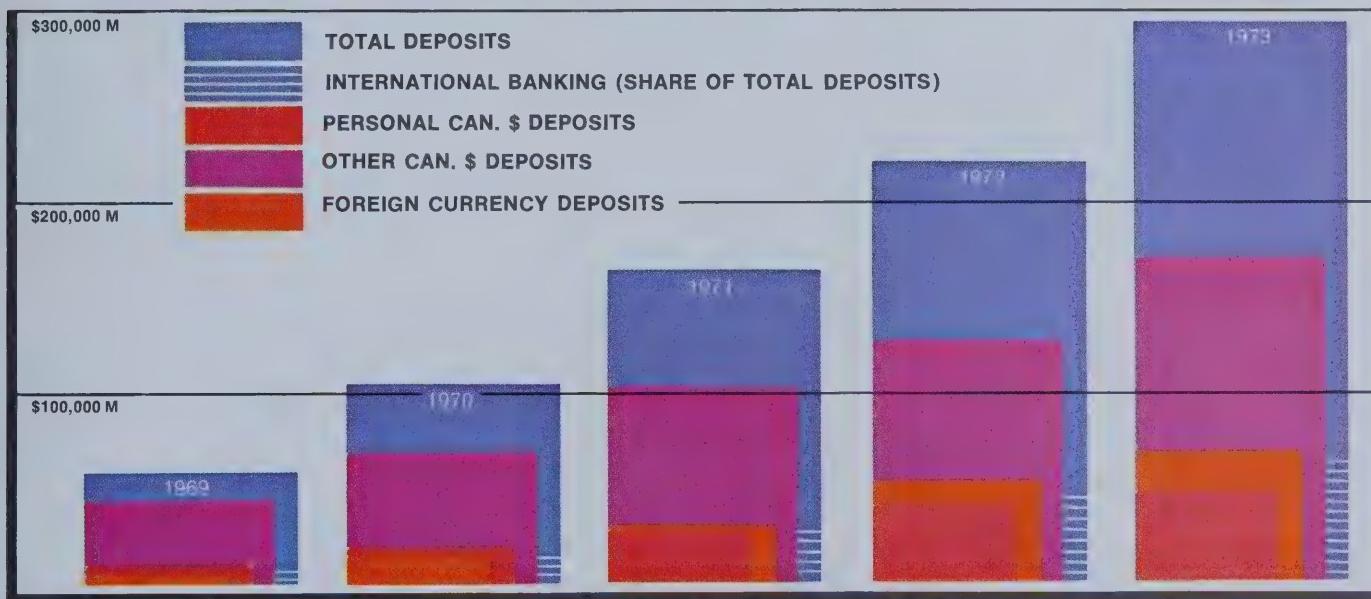
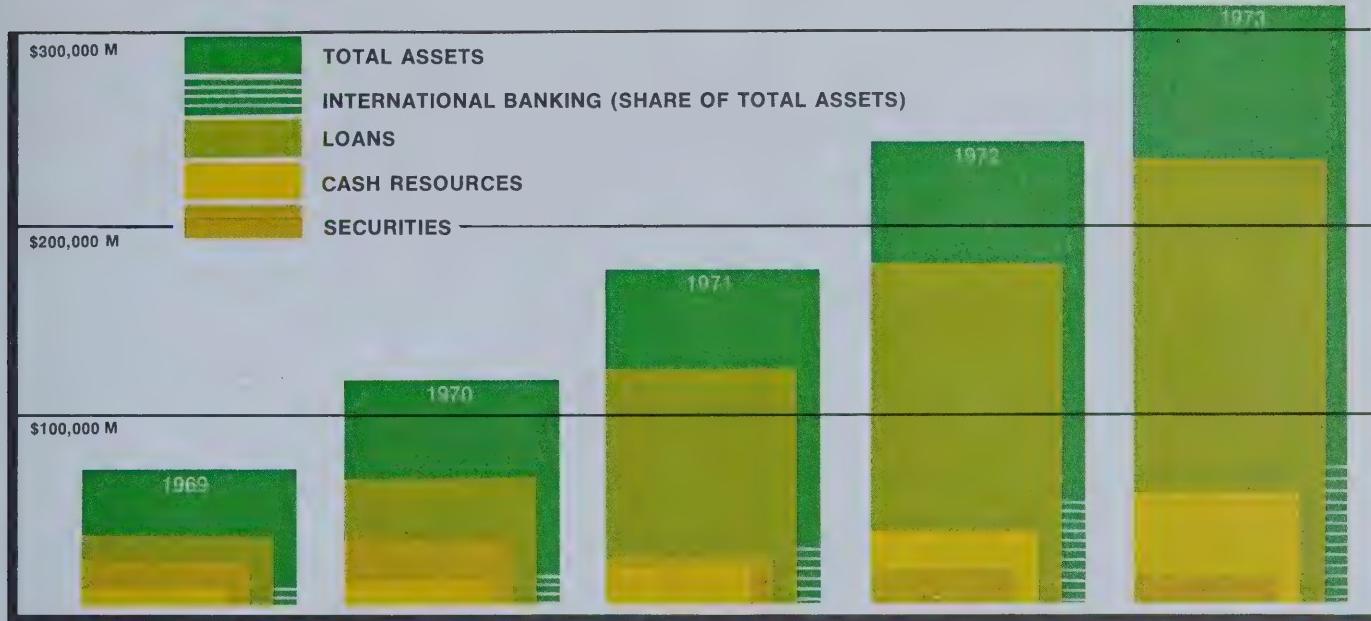
Expenses:

| | |
|--------------------------|-----------|
| Interest | \$ 11,957 |
| Salaries | 4,256 |
| Property expenses | 1,012 |
| Other operating expenses | 2,676 |
| Total expenses | \$ 19,901 |

| | |
|----------------------|----------|
| Balance of revenue | \$ 1,314 |
| Balance of profits | \$ 414 |
| Dividends paid | \$ 255 |
| Branches at year end | 24* |

| | 1973 | 1972 | 1971 | 1970 | 1969 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Cash Resources | \$ 61,814 | \$ 38,376 | \$ 22,495 | \$ 15,107 | \$ 9,894 |
| Securities | 16,242 | 21,685 | 28,203 | 35,103 | 23,382 |
| Loans | 235,067 | 179,452 | 124,294 | 68,290 | 38,190 |
| Bank Premises | 1,884 | 1,512 | 1,462 | 1,217 | 1,045 |
| Other Assets | 2,859 | 3,151 | 1,839 | 1,554 | 1,492 |
| Total | \$317,866 | \$244,176 | \$178,293 | \$121,271 | \$ 74,003 |
| | | | | | |
| Deposits | \$295,305 | \$221,617 | \$163,312 | \$107,134 | \$ 59,638 |
| Other Liabilities | 2,774 | 3,180 | 1,201 | 969 | 1,517 |
| Accumulated Appropriation for Losses | 1,582 | 1,333 | 936 | 474 | 311 |
| Capital Funds | 18,205 | 18,046 | 12,844 | 12,694 | 12,537 |
| Total | \$317,866 | \$244,176 | \$178,293 | \$121,271 | \$ 74,003 |
| | | | | | |
| Income from loans | \$ 18,518 | \$ 11,480 | \$ 7,360 | \$ 5,127 | \$ 2,025 |
| Income from securities | 1,263 | 1,360 | 2,505 | 1,967 | 1,237 |
| Other operating revenue | 1,434 | 815 | 517 | 300 | 122 |
| Total revenue | \$ 21,215 | \$ 13,655 | \$ 10,382 | \$ 7,394 | \$ 3,384 |
| | | | | | |
| Interest | \$ 11,957 | \$ 7,766 | \$ 5,495 | \$ 4,067 | \$ 1,618 |
| Salaries | 4,256 | 2,713 | 1,984 | 1,407 | 836 |
| Property expenses | 1,012 | 816 | 639 | 453 | 268 |
| Other operating expenses | 2,676 | 1,555 | 1,340 | 944 | 541 |
| Total expenses | \$ 19,901 | \$ 12,850 | \$ 9,458 | \$ 6,871 | \$ 3,263 |
| | | | | | |
| Balance of revenue | \$ 1,314 | \$ 805 | \$ 924 | \$ 523 | \$ 121 |
| Balance of profits | \$ 414 | \$ 305 | \$ 201 | \$ 157 | \$ 51 |
| Dividends paid | \$ 255 | \$ 102 | \$ 51 | — | — |
| Branches at year end | 24* | 20 | 18 | 10 | 8 |

* includes San Francisco Agency



International Banking

The International Banking Department of the Bank maintains an active network of correspondent banks throughout the world.

By effectively using the relationships developed with our correspondents, the Bank is able to offer complete international banking services to its clients.

The Bank recognizes the importance of the Pacific Rim trad-

ing area and has ensured itself of strong representation in this complex market area. The Bank is actively transacting business through our correspondents in the major Asian and Pacific centres including Peking, Tokyo, Singapore, Hong Kong, and West Coast North American cities.

- 
- Head Office: Vancouver, B.C.
 - San Francisco Agency
 - Active Correspondent Relationship

Board of Directors



*ALBERT E. HALL
Chairman of the Board and President



EINAR M. GUNDERSON, F.C.A.
Honorary President,
Executive, Vancouver, B.C.



*RALPH T. CUNNINGHAM
Vice President,
Executive, Vancouver, B.C.



*HAROLD B. ELWORTHY
Vice President,
President, Elworthy Towing Co. Ltd.,
Victoria, B.C.



*DONALD M. CLARK, Q.C.
Secretary,
Senior Partner, Clark Wilson & Co.,
Vancouver, B.C.



R. J. BENNETT
Westbank, B.C.
President, Bennett's Stores
(Kamloops) Ltd.



J. A. BRUSSET
West Vancouver, B.C.
Vice President, Cumont Mines Ltd.
Retired - December 11, 1973



THE HONORABLE T. A. DOHM, Q.C.
Vancouver, B.C.
Senior Partner Dohm, Macdonald,
Russell & Kowarski



A. FOUKS, Q.C.
Vancouver, B.C.
Barrister & Solicitor



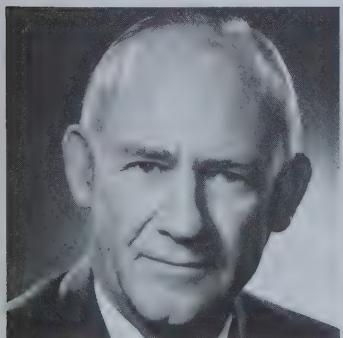
*C. E. HALL
Vancouver, B.C.
President, Devonshire Hall Ltd.



K. A. W. LONG
Kamloops, B.C.
President, Integrated Wood
Products Ltd.



G. B. MCINTOSH
Vancouver, B.C.
Senior Partner, Lawson, Lundell,
Lawson & McIntosh



W. C. MEARN
Victoria, B.C.
President, Rockcliffe Estates Ltd.



A. H. MITCHELL
Edmonton, Alberta
President, Mitchell & Associates Ltd.



P. M. REYNOLDS
Vancouver, B.C.
President, Bethlehem Copper
Corporation Ltd.



J. B. SMITH
Kelowna, B.C.
President, Okanagan Holdings Limited

Executive Officers

ALBERT E. HALL, *Chairman of the Board and President*

G. HOWARD EATON, *Executive Vice President*

VICTOR DOBB, *Executive Vice President and General Manager*

F. PETER DARLING, *Executive Vice President, International*

R. ERIC P. ALLAN, *Vice President, Alberta Operations*

WAYNE W. ALLEN, *Vice President*

HUGH DALGLEISH, *Assistant General Manager and Chief Inspector*

CAROL J. NORDSTROM, *Assistant General Manager, Administration*

HARRY J. STEELE, *Assistant General Manager, Credit*

Corporate Departments

Administration

G. H. FRIES, *Superintendent*

J. R. BERKSON, *Cost Accountant*

Branch Development & Premises

G. M. O'KEEFE, *Superintendent*

Chief Accountants Department

A. J. GRAHAM, *Chief Accountant*

L. J. FOWLER, *Deputy Chief Accountant*

T. H. LAPOINTE, *Deputy Chief Accountant*

Consumer Credit Division

F. M. SHARPE, *Supervisor*

L. V. ROSSNER, *Assistant Supervisor*

Corporate Finance

W. A. BAIRD, *Supintendent*

Credit

G. M. FOX, *Supintendent*

J. ROSENKRANDS, *Senior Supervisor*

P. C. DIRK, *Supervisor*

H. P. KROEKER, *Supervisor*

J. L. WERNER, *Supervisor*

Data Processing

W. A. FRANKLIN, *Superintendent*

Economics

J. R. THOMSON, *Economist*

Inspection

O. N. WELDE, *Inspector*

J. R. ANCRUM, *Inspector*

Investments

A. E. MILES-PICKUP, *Superintendent*

R. STRAKER, *Supervisor*

R. B. HAWKESWORTH, *Supervisor
Investment Services*

Marketing

J. F. STIMSON, *Supintendent*

Mortgages

J. G. WIGHTMAN, *Supintendent*

B. L. RITCHIE, *Supervisor*

Operations

K. H. G. MAY, *Superintendent*

W. E. SCHARFF, *Senior Supervisor*

M. G. MACKAY, *Supervisor*

Personnel

A. B. JENKINS, *Supervisor*

H. G. J. BINGERT, *Assistant Supervisor*

Training

I. A. LEVERSAGE, *Supervisor*

International

H. W. BOW, *Superintendent*

D. W. MÜLLER, *Agent, San Francisco*

A. K. C. EE, *Supervisor*

A. R. GREIG, *Supervisor*

J. C. H. TSOW, *Special Representative*

Left to right: Hugh Dalgleish, Assistant General Manager & Chief Inspector, Carol J. Nordstrom, Assistant General Manager, Administration, J. M. A. Briden, Manager Vancouver Main Branch, Wayne W. Allen, Vice President, R. Eric P. Allan, Vice President, G. Howard Eaton, Executive Vice President, A. J. Graham, Chief Accountant.



Left to right: F. Peter Darling, Executive Vice President, International, Victor Dobb, Executive Vice President and General Manager, W. A. Baird, Superintendent, Corporate Finance, Harry J. Steele, Assistant General Manager, Credit, A. E. Miles-Pickup, Superintendent, Investments.



Left to right: J. Walter Fries, Manager, Vancouver Georgia Street Branch, on construction site location with G. Gordon C. Kerr, Treasurer, and E. J. (Ted) Jones, General Manager of Burrard Dry Dock Co. Ltd., North Vancouver, B.C.

Branches

Vancouver

Main — 999 West Pender Street

J. M. A. BRIDEN
Manager
R. K. BURNSIDE
Deputy Manager
K. P. BOYER
Assistant Manager
D. R. A. SMITH
Assistant Manager
R. R. CLYDE
Assistant Manager
R. S. ANTHONY
Assistant Manager
R. F. ELLIS
Assistant Manager, Administration

Broadway & Willow

J. D. AUSTEN
Manager

Chinatown — 601 Main Street

H. FETIGAN
Manager
J. C. H. TSOW
Assistant Manager & Special Representative

1047 Denman Street

A. J. GIBB
Manager

Fraser & 48th

W. B. IBBOTT
Manager

937 West Georgia Street

J. W. FRIES
Manager
A. C. PROPP
Deputy Manager
N. R. MCKENZIE
Assistant Manager
A. L. J. CUMMINGS
Assistant Manager
D. S. J. PEEK
Assistant Manager, Administration

Granville & 13th

F. E. CHAMBERS
Manager

Hastings & Penticton

J. C. WRIGHT
Manager

Kerrisdale — 2164 W. 41st Ave.

D. DUKE
Manager

Richmond — 680 No. 3 Road

C. A. HETHERINGTON
Manager

New Westminster — 731 Columbia St.

A. C. GRAHAM
Manager

R. O. ABRAMS
Assistant Manager

W. B. NICHOLSON
Assistant Manager, Administration

North Vancouver — 1457 Lonsdale Ave.

J. W. SORENSEN
Manager

P. R. PANCHYSHYN
Assistant Manager

West Vancouver — 1645 Marine Drive

M. MAZURUK
Manager

Lower Mainland

Abbotsford — 33700 Essendene Ave.

G. P. WILLIAMS
Manager

Chilliwack — 1 Main Street

D. J. HUIE
Manager

Surrey — 10241 King George Highway

R. W. DREVANT
Manager

Interior

Cranbrook — 1001 Baker Street

H. D. LUNDELL
Manager

Kamloops — 380 Victoria Street

L. C. EARLE
Manager

Kelowna — 313 Bernard Avenue

R. E. SWAIL
Manager

Penticton — 294 Main Street

V. N. DAVIES
Manager

Vernon — 3321 Barnard Avenue

M. R. FEIST

Manager

B. R. HEWSON

Assistant Manager

Island

Victoria Main — 752 Fort Street

K. R. GIBBS

Manager

D. J. GENT

Assistant Manager

B. MARSHALL

Assistant Manager, Administration

Victoria — Douglas & Johnson Streets

C. A. BIRTCHE

Manager

MRS. M. E. MAKARA

Assistant Manager, Administration

Nanaimo — 70 Commercial Street

M. S. ROGERS

Manager

K. E. H. BEENS

Assistant Manager

C. W. KROEKER

Assistant Manager

J. M. FOSTER

Assistant Manager

R. F. MURRAY

Assistant Manager, Administration

Alberta

Calgary — 444 - 5th Avenue S.W.

D. H. PENDER

Manager

G. T. CAMERON

Assistant Manager

D. E. LAWBY

Assistant Manager, Administration

Edmonton — 10561 Jasper Avenue

J. D. KEMILA

Manager

R. B. CAMERON

Assistant Manager

J. D. BOURGEOIS

Assistant Manager, Administration



Abbotsford — 33700 Essendene Ave.



Penticton — 294 Main St.

EATON NAMED

Bank promotes Asian expert

By GEORGE FROEHLICH
Sun Business Writer

A strapping 6'2" banker who served as a Chinese Mandarin linguist with the U.S. intelligence service in Korea, holds a degree in Asian studies and has served in responsible banking positions in the Far East, has been named executive vice president of the Bank of British Columbia.

The appointment of G. Howard Eaton, 38, to the newly-created post was announced Wednesday.

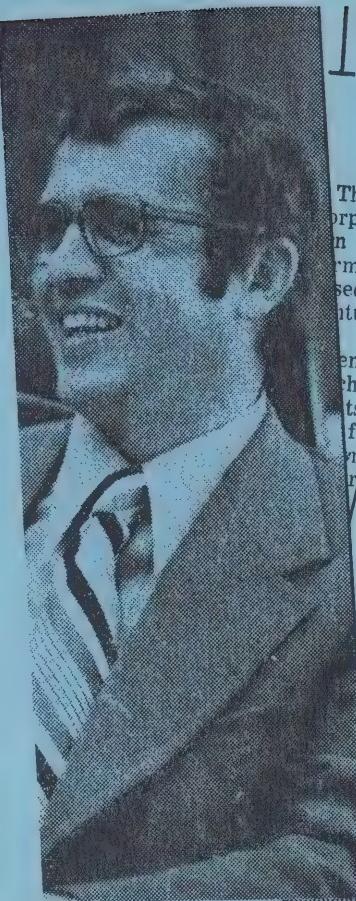
The move is seen in banking circles as a declaration by bank president Albert E. Hall, 60, that Eaton will eventually assume the presidency.

an instructor teaching Chinese to air force personnel.

Upon leaving the air force he went back to the University of Oregon and in 1962 was graduated with a bachelor of Arts degree in Asian studies. He continued to attend the university for the next two years at the graduate level, studying economics.

"I never wrote my thesis. I was recruited at the end of the two years by the Bank of America. My speciality during my post-graduate courses was in the field of international economics, money and banking," he says.

After attending a training course in credit for interna-



By R. M. SHAW

The Canada Development Corp. has established its western Canadian arm with the formation of a Vancouver-based venture capital firm, Ventures West Capital Ltd.

Ventures West is intended to look out for growth investments, with a strong orientation for natural resource development.

mula based on said Michael J.

J. Haig deB. comes president of Ventures 33, and Jack R. become vice-pre

Subscribing are Canada Corp., the Bank of Columbia, the Bank Guaranty Trust in Riback of C

Calgary, East set in B.C.

By Jim Stott

[Herald Business Editor]

The Bank of British Columbia announced today it is expanding into Alberta with branches set for Calgary and Edmonton.

The B.C. Bank's

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Compare.

A guide to the new multi-service bank plans... from the Canadian bank that started it all.

| Service | Plan A | Plan B | Plan C | Plan D | Bank of B.C. |
|--|--------|--------|--------|--------|---|
| Overdraft Protection | 1.5% | 1.5% | 1.5% | 1.5% | Up to 1.5% interest reduced 10% per month |
| Special Interest on Personal Chequing Accounts | 1.5% | 1.5% | 1.5% | 1.5% | |
| Safety Deposit Boxes | 50¢ | \$1.00 | \$1.50 | \$2.00 | \$7.50/annum |
| Interest on Overdraft Accounts | 10% | 10% | 10% | 10% | 4% |

Not all accounts are created equal. Come in to your nearest Bank of B.C. branch. Apply today.

Every banking service you've ever likely to need...for \$3.00 a month, with no minimum balance required.



Bank
of B.C.
says:
'Let's
compare'

on the bandwagon with similar schemes, and the Toronto-Dominion is preparing one of its own.

The western bank's new campaign, which declares that "not all accounts are created equal," invites potential new depositors to compare the three available plans under four headings.

The campaign, created by Simons Palmer and Lecky Advertising, Vancouver, is concentrated in B.C. newspapers and major radio stations and broke Nov. 5. Account supervisor for Bank of B.C. is Richard Simons.

THE Bank of British Columbia has launched a follow-up comparative campaign to beat off the big boys and re-establish its initiative in the cluttered race for new packaged service accounts.

The Bank of B.C. introduced the multi-service banking concept to Canada in early August with its Western Account. In the meantime, two national banks — Canadian Imperial Bank of Commerce and the Royal Bank — have jumped

Bank going

By PATRICK DURRANT

The Bank of British Columbia unveiled a new personal banking service Wednesday which, it hopes, will double its customer base.

The new service, to be called the Western account, introduces some new wrinkles to Canadian banking and revives at least one banking service on overdrafts that has been played down in recent years.

The Bank of B.C.'s new service will be inaugurated Aug. 1. For a \$3 monthly fee, the Western account customer will be entitled to:

- An identification card entitling him to all services on this account at other branches of the bank.

- Unlimited cheque writing with no additional service charge (on regular chequing accounts, Canadian banks charge 14 cents per cheque).

- Four per cent interest on Western chequing accounts, calculated on the minimum



ALBERT HALL

quarterly balance which must be \$100 or more.

- A safety deposit box (the normal charge is \$7.50 a year).

- Unlimited purchase of travelers' cheques, Canadian dollar money orders and

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Bank of B.C. implements Western accounts system

of his 10th gets these benefits:
An identification card
to all services

Bank of B.C. boss glad he took trip to Peking

By BOB SHAW

Albert Hall, chairman and president of the Bank of British Columbia, is happy that he has visited the head office of the Bank of China in Peking.

He and F. Peter Darling, vice-president, have just returned from a trip on which they were received by the chairman and the general manager of the Bank of China.

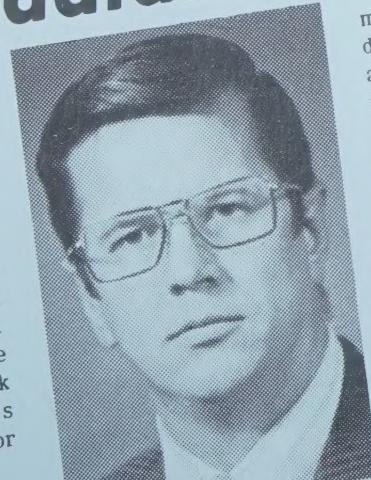
"The more I think about it, the more I'm convinced we were right to go in," said Hall. "Any Canadian institution that wants to make a first visit should send its top man. We made a good team."

"In addition to being a senior man, Peter has qualifications in international banking. The Chinese appreciated this. We had business in



ALBERT HALL

The "Western Account" Bank of B.C. Announces Biggest Change In Canadian Banking



An entirely new approach to personal banking service will be initiated by the Bank of British Columbia as of August 1st.

The new service, to be called the Western account, will constitute the biggest change in Canadian banking in years according to Wayne W. Allen, former manager of the Nanaimo branch of the bank and now the Bank of B.C.'s assistant general manager for

to this. Our offer was received with interest and we gave them a letter of confirmation. I was impressed with their questions on the mechanics. They were not casual.

"Most of the meeting was technical, but they asked why we offered the line of credit and what kind of goods might be traded. We told them of a few things we knew."

Darling added that, although wheat and paper are obvious trade items for Canada, lumber might be tough against the flourishing clay brick and quarried stone industry of China.

"If they tool up and aim at a specific market, they might do well with bicycles in traffic."

major western Canadian industries: mining, forestry, agriculture, oil, fishing and ranching.

Allen said the \$3 monthly fee for the new account is based on what the bank considers is an average charge paid by chequing account customers.

"It is time that banks gave more recognition to consumers," Allen said in Nanaimo Thursday.

"We expect to double our business in Nanaimo in a year with the Western account."

By RICHARD DOLMAN
Sun Business Writer

may have been sheer coincidence that Premier Dave Barrett really made the Bank of B.C. look good when he met eastern banking in Calgary this week. The Bank of B.C. is making Barrett look good.

Barrett attacked the neglectful attitude of the big banks towards the west, their apparent lack of competition with each other, and their inadequate disclosure of regional statistics.

Barrett's charges at the western premiers' economic conference were partly refuted by the 24th and 25th

B.C. Bank aiming at agency in California

By Hyman Solomon

VANCOUVER — Bank of British Columbia, in its foreign venture, has decided to establish an agency operation in San Francisco. Approval by California bank authorities is expected to allow a start in early September.

Darling, vice-president of the agency would

... largest campaign in its brief history

THE BANK of British Columbia's current \$200,000 campaign, the largest in its brief history, appears bound to show its competitors how the West is won.

The bank's multi-media Western Account promotion, which began in early August, has been so successful thus far that its objective for new depositors is expected to be met long before the target date.

Flat fee

The Western Account eliminates the practice of levelling separate charges for each bank transaction and proposes instead a flat monthly fee of \$3 to cover

the required minimum balance to qualify for consumer loans. BBC president Hall and his officials say the Western Account is not an experiment, but a complete package of services to satisfy the needs of the Western people."

unlimited travellers' cheques, money orders and drafts, overdraft protection, accounts payment, and personalized cheques.

The concept has been called "the most unique and complete package of banking services ever introduced in Canada."

Says Richard Simons, account supervisor at Simons Palmer and Lecky, Vancouver, where the campaign was created:

"The initial response to the Western Account has been fantastic. A tally of

the first few weeks shows at least 40% are brand new accounts and the rest of

Bank of B.C. depositors who changed over.

The last itself has ac-

verse the Rockies and open up the Canadian West.

The multi-colored per-

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The BBC will pay Wes Accounts four per cent interest on any minimum qualifying balance exceeding \$1,000. However, no minimum balance is needed to maintain other account benefits.

Overdraft privileges will be opened up again. Cheques will be covered automatically to a pre-determined limit of \$500 to \$1,500 established at the time of the application for the account.

Interest on the overdraft will be charged at 15 per cent compared with 18 per cent charged by other banks. Overdraft interest will be calculated

Bank of B.C.

out to show

how West is

won with

its 'package'

B.C. bank declared its third dividend

BUSINESS

The Vancouver Sun

Bank of B.C. blazes new trail

Package deal eliminates many nuisance charges; loan rates reduced

By RICHARD DOLMAN
Sun Business Writer

Bank of B.C. branches to open later this year.

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Business

BBC REALTY INVESTORS

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that the Trustees of BBC Realty Investors have declared a quarterly dividend of fifteen cents (15c) per unit on the Trust's issued Trust Units, PAYABLE April 30, 1973, to Unitholders of record at the close of business on March 30, 1973. The dividend will be subject to deduction of Canadian Non-Resident Income Tax where applicable. DATED at Vancouver, Canada, the 14th day of March, 1973.

R. E. P. Allan
Vice-President and
General Manager

ture capital firm launched

THE PROVINCE

BUSINESS

BOB McMURRAY, Business Editor

Tuesday, January 16, 1973

tial subscription of \$2,050,000. Bank of B.C. and Bank of Tokyo are subscribing \$250,000 each.

Canadian
ventur
panies

Edmonton branch Bank expansion

be opened in Cal-
mid-January along
in Edmonton.
Calgary branch will
March

several hundred shad-
in Alberta and
number of

By Hyman Solomon
VANCOUVER — Canada
Development Corp.'s second
venture-capital subsidiary
opened for business here
this week, and the word is
that only big-profit deals

need apply.

In fact,

"They are all fair-sized. The
CDC is not equipped, by its
nature, to invest in a lot of
small businesses. We want
companies in the range of
tens of millions — for instance
Connaught Laboratories,
which is big in health care.

strong, profitable and Canadian-controlled; and (2) to widen investment opportunities for Canadians.

Besides offering its own shares, the CDC may in time offer shares of some subsidiaries and may also spin off some of the companies it develops to the public.

"We have got to lay the em-
siding large com-
for foreign

CDC launches Venture — for big-profit deals

weeks. The firm will be
managed by Kauser, Low-
enstein & Meade Co., a
Montreal financial house
which already

tant to the success of the
company because of the
need to convince the pri-
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BUSINESS

BOB McMURRAY, Business Editor

July 26, 1973

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banks are now charging
to 12½ per cent on cons-
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The bank will also be
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Wayne W. Allen,
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It is believed

American bank Bank of B.C. plans office in Frisco

The Bank of British Colum-
bia will open its first office
outside the province — an
agency in San Francisco — on
July 12, Peter Darling, vice-
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and provide commercial lend-

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David Muller, of the Bank
of B.C.'s international banking
department, will be in charge
of the new office.

president, said the bank is
considering expansion into
other provinces. "Obviously,
we will move into Alberta
first — probably within the
next year," he added.

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Realty units pay dividend

BBC Realty Investors, the
real estate investment trust
sponsored by the Bank of
B.C., will make a quarterly
distribution of 20 cents per
unit Oct. 31, to unit-holders
of record Sept. 28.

This is the trust's third dis-
tribution, bringing payments
for the year to date to 55
cents per unit.

The trust recently received
the proceeds of a \$25 million,
7 per cent debenture issue,
which have been used to as-
sist in funding maturing com-
mitment as well as the pur-
chase of \$7.5 million in resi-
dential mortgages from the
Bank of B.C.

Services

BANK OF BRITISH COLUMBIA'S FULL RANGE OF SERVICES INCLUDES:

- Bank-by-mail
- Western Account
- WestBank Savings Account
- Chequing Savings Accounts
- Certificates of Deposit
- Personal Chequing Accounts
- Current Accounts
- WestBank Loans
- Mobile Home Loans
- Pleasure Boat Loans
- Student Loans
- Home Improvement Loans
- Mortgage Loans
- Business Loans
- Farm Improvement Loans
- Fisheries Improvement Loans
- Commercial Letters of Credit
- Foreign Exchange
- Travellers Cheques
- Travellers Letters of Credit
- Money Orders
- Securities Transactions
- Safety Deposit Boxes
- Safekeeping
- Night Depository



Richmond — 680 No. 3 Road



Surrey — 10241 King George Highway



**Bank of
British Columbia**

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